

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL CONTRACT 95 (MC2014-49)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2014-85

**NOTICE OF UNITED STATES POSTAL SERVICE OF
CHANGE IN PRICES PURSUANT TO
AMENDMENT TO PRIORITY MAIL CONTRACT 95**
(December 13, 2016)

The Postal Service hereby provides notice that prices under Priority Mail Contract 95, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Contract 95 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days after the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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December 13, 2016

ATTACHMENT A

REDACTED AMENDMENT TO PRIORITY MAIL CONTRACT 95

**AMENDMENT
OF
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND
[REDACTED]
REGARDING
PRIORITY MAIL SERVICE**

WHEREAS, the United States Postal Service ("the Postal Service") and [REDACTED] ("Customer") entered into a shipping services contract regarding Priority Mail service on September 18, 2014.

WHEREAS, the Parties desire to amend the terms in Sections I.B, I.F, and I.K.1 and remove Section I.G. from the Contract.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective two (2) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.B, I.F, and I.K.1 in their entirety, and remove Section I.G. in its entirety, as follows:]

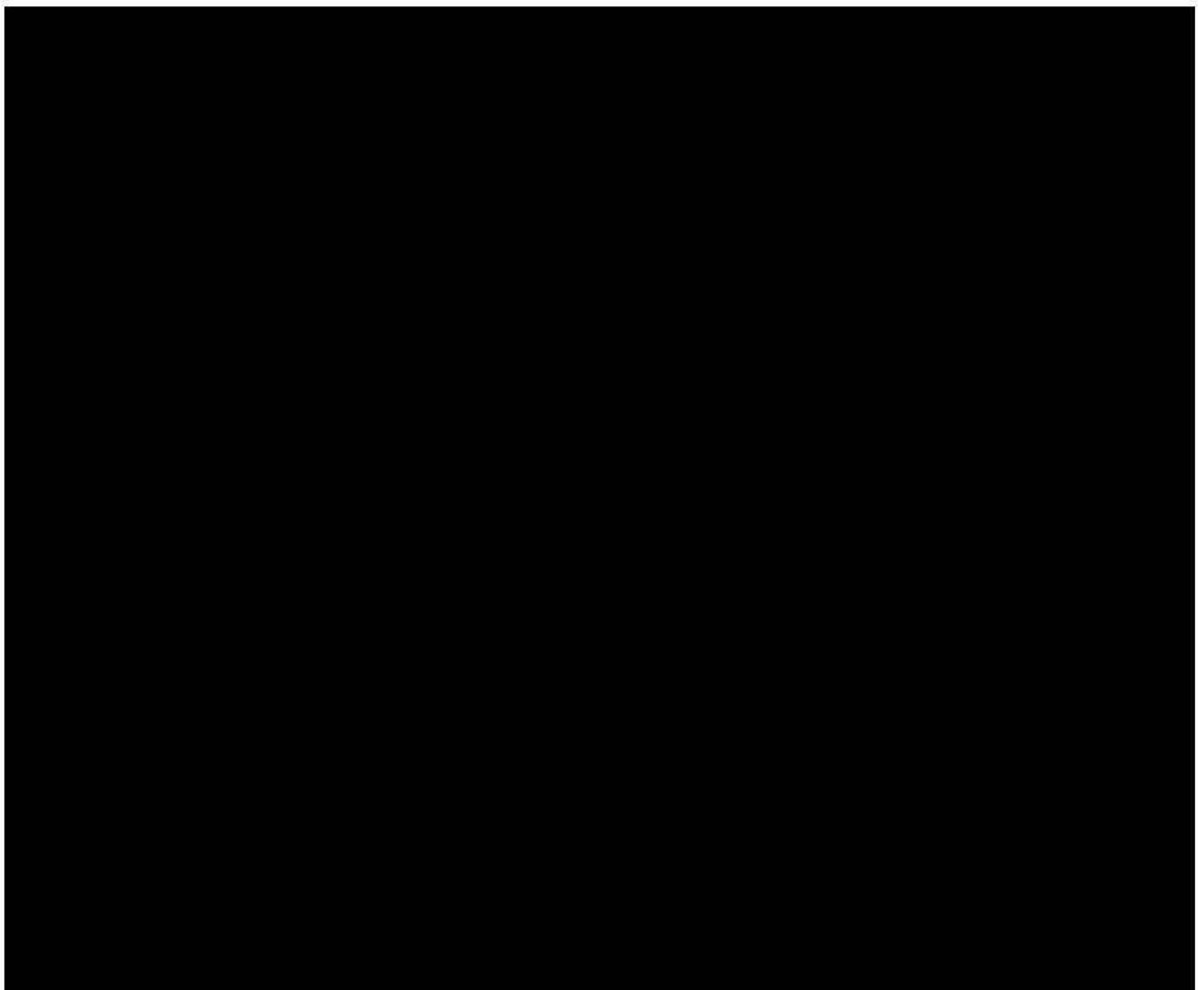
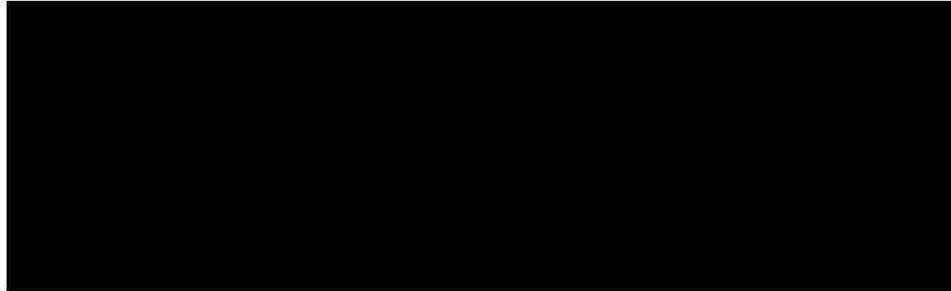
I. Terms

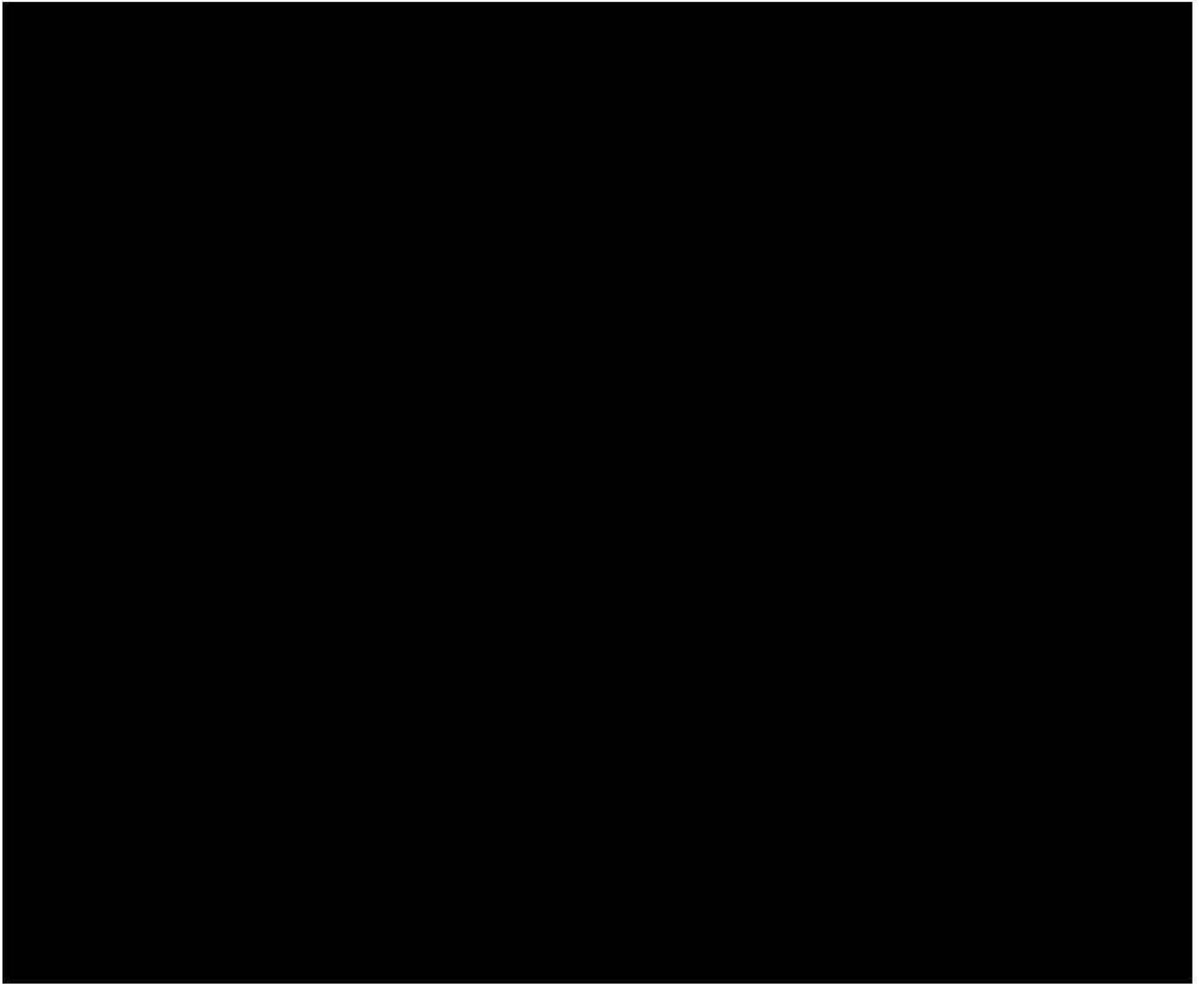
- B. This contract applies to Customer's Priority Mail weight based packages [REDACTED], Customer's Priority Mail weight based packages [REDACTED] as well as Customer's Priority Mail Flat Rate Boxes and Envelopes, Priority Mail Regional Rate Boxes, and Cubic [REDACTED] (collectively, "Contract Packages").

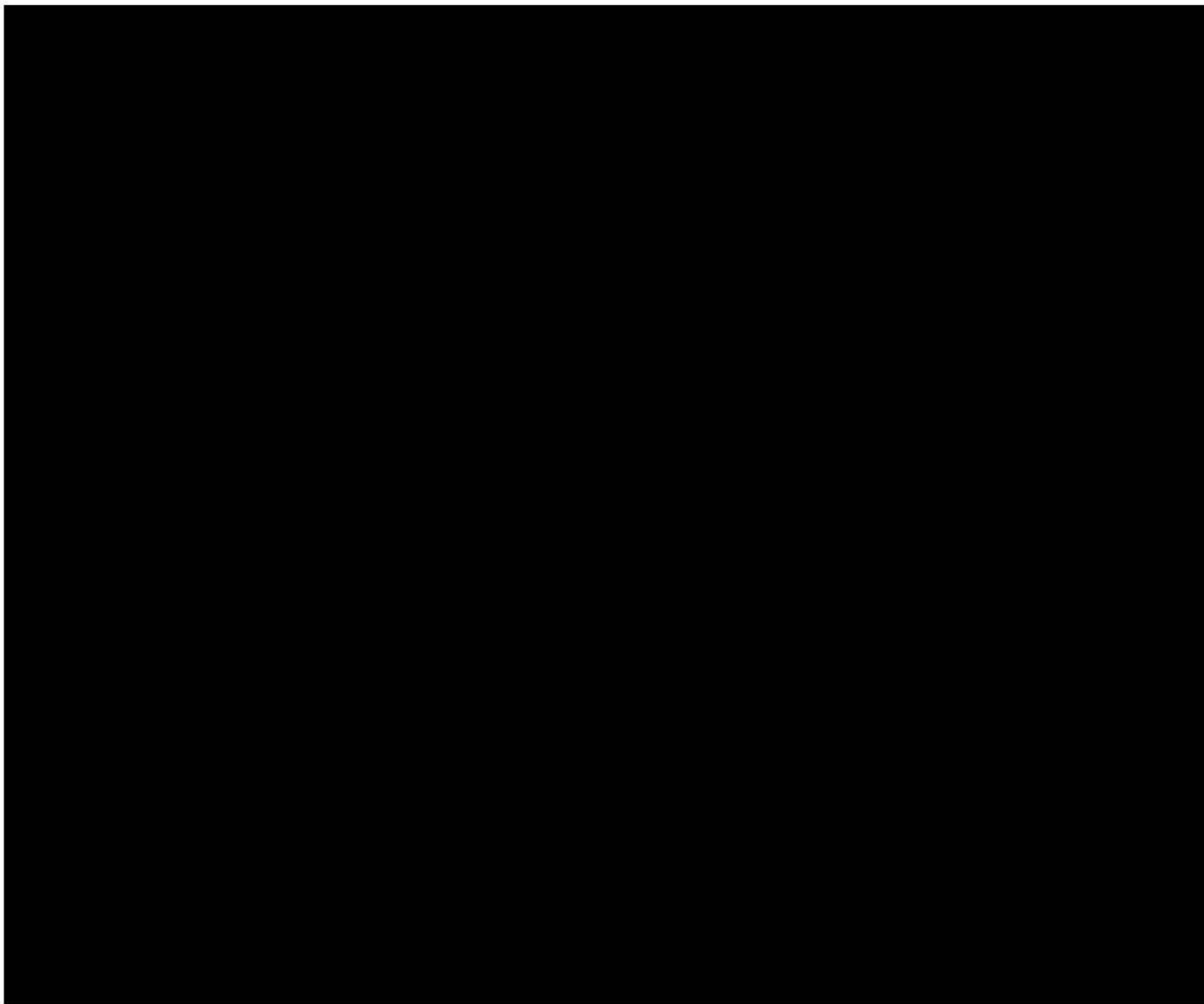
F. Contract Prices.

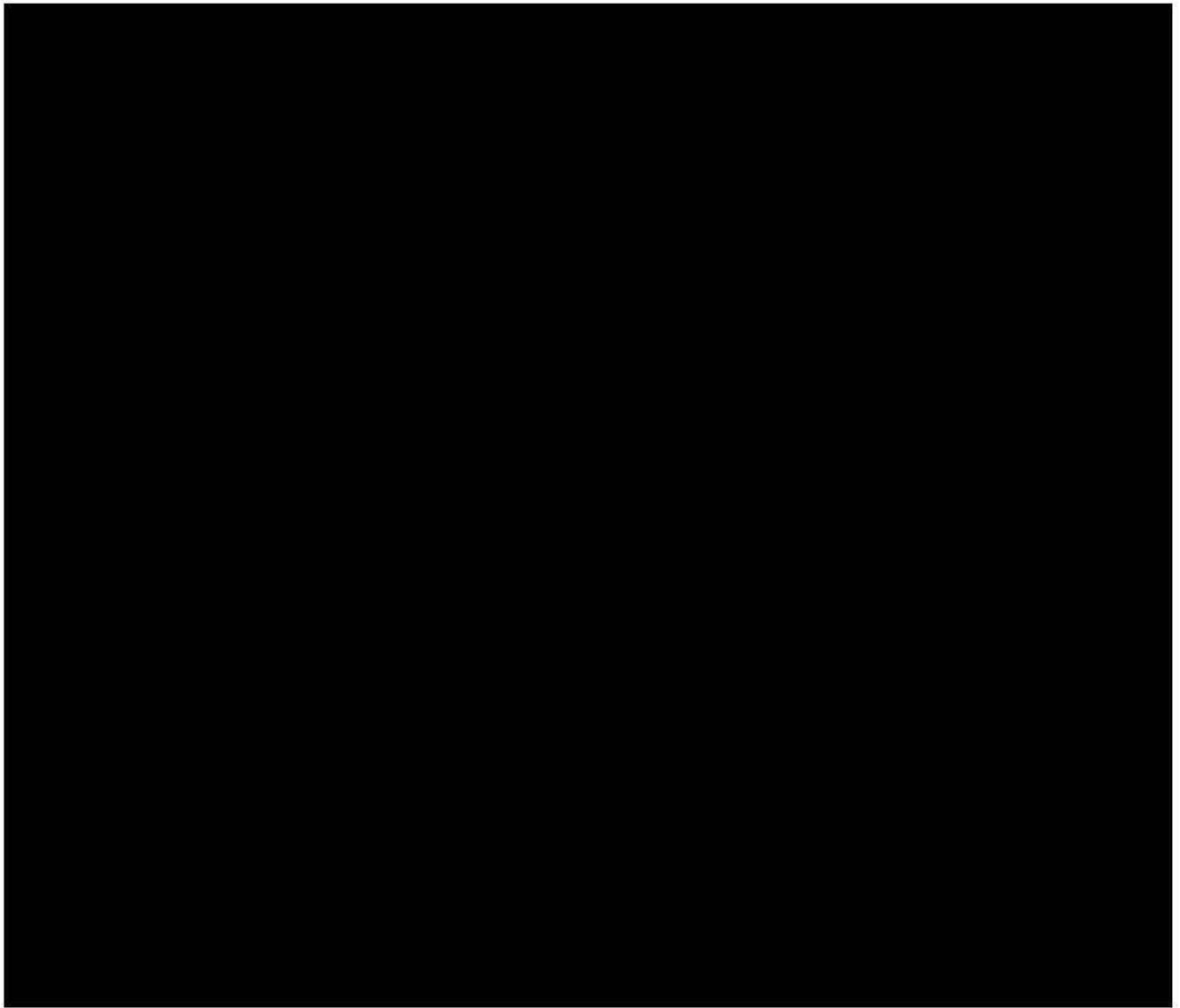
1. Implementation Period. From the effective date of this amendment until December 31, 2016 ("Implementation Period"), customer shall receive the Tier 3 prices pursuant to Table 4 below.
2. Subsequent Quarter Prices. Customer shall receive prices pursuant to Tables 1-6 below on all Contract Packages based on Customer's average quarterly volume of Contract Packages and other Priority Mail Packages shipped during the previous four Contract Quarters. In the event that Customer's average quarterly volume does not meet the

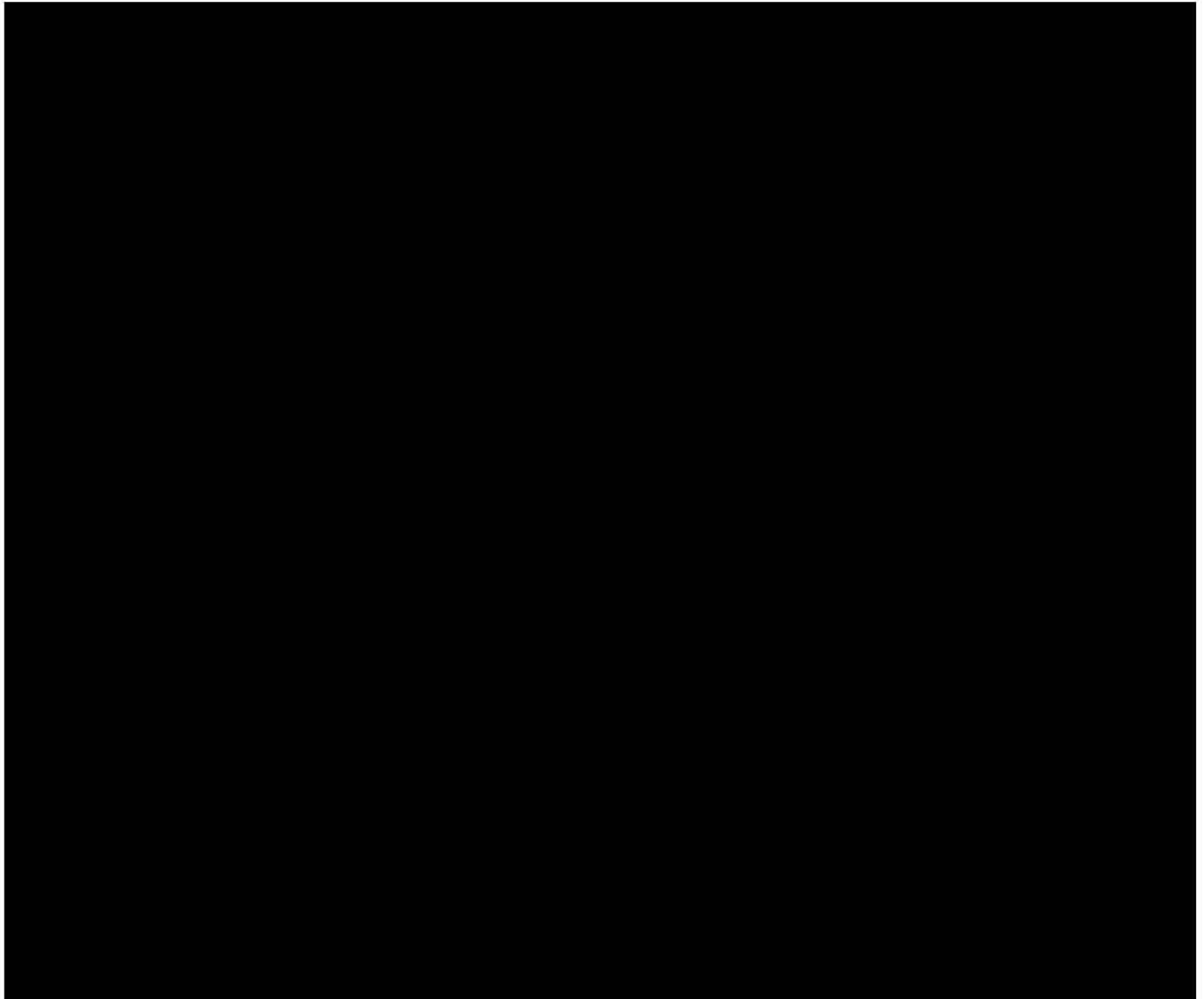
minimum volume for Tier 1 pursuant to Table 1 below, the Postal Service reserves the right to revert Customer to the prevailing published Priority Mail Commercial Plus prices for the subsequent Contract Quarter. All Priority Mail packages will qualify for the purposes of tier calculation.











G. [Removed]

K. Annual Adjustment.

1. For subsequent years of the contract, beginning on the first anniversary of the contract's Effective Date, as outlined in Section II below, customized prices under this contract will be the previous year's prices plus the lesser of: a) the most recent (as of the anniversary date) average increase in prices of general applicability, as calculated by the Postal Service, for Priority Mail Commercial Plus, or b) [REDACTED]
[REDACTED]

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by: _____

Printed Name: Cliff Rucker

Title: Senior Vice President, Sales and Customer Relations

Date: _____

12/2/16

ATTACHMENT B
SIGNED CERTIFICATION

Certification of Prices for Amendment to Priority Mail Contract 95

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail Contract 95. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.



Steven R. Phelps